GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:257
ANSWERED ON:17.12.2004
SAARC COUNTRIES TO MEET REGIONAL REQUIREMENTS
Owaisi Shri Asaduddin

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether 90 percent of economic requirements of South Asian countries are met from outside the region;

(b) if so, the details thereof;

(c) whether India has asked SAARC nations to build strong framework of regional economic cooperation to meet their requirements from within the region;

(d) whether this issue was discussed in the SAARC Commerce Ministers Conference; and

(e) if so, the progress made in this regard and future strategy chalked out for this purpose?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 257 TO BE ANSWERED ON 17.12.2004 REGARDING SAARC COUNTRIES TO MEET REGIONAL REQUIREMENTS BY SHRI ASADUDDIN OWAISI.

(a) & (b): Yes, Sir. This is true in terms of trade data available. The details are given in the statement at Annex.

(c) & (d): Yes, Sir. At the SAARC Commerce Ministers Meeting in Islamabad in November 2004, India underscored the need to have a positive agenda centering around economic cooperation to make SAARC a more effective instrument for enhancing trade and commerce in the region.

(e): There was a consensus in the meeting that negotiations on the South Asian Free Trade Area (SAFTA) must proceed as per schedule so that it comes into force on 1st January 2006. A road map was accordingly drawn up to complete the pending issues pertaining to SAFTA, as also for signing of four trade facilitation agreements so that these come into force along with the SAFTA Agreement. These Agreements are on (i) Mutual Administrative Assistance on Customs Matters (ii) Promotion and Protection of Investments (iii) SAARC Arbitration Council & Arbitration Rules and (iv) Limited Multilateral Tax Treaty/Agreement on Avoidance of Double Taxation. Other facilitation measures which are presently under consideration are regional recognition arrangements in standards, testing facilities and conformity assessment, cooperation in the field of statistics, and cooperation in the transport sector in the region.

ANNEX

STATEMENT REFERRED TO IN REPLY TO PART (b) OF THE LOK SABHA QUESTION NO. 257 FOR ANSWER ON 17.12.2004 REGARDING `SAARC COUNTRIES TO MEET REGIONAL REQUIREMENTS`.

Intra-SAARC Trade

Year	Intra-SAARC Trade (US$ mn)	World trade of SAARC countries (US$ mn)	Share of intra-SAARC trade in world trade of SAARC countries (%)
1995	4228	104159	4.1
1996	4914	111479	4.4
1997	4390	115961	3.8
1998	6073	121331	5.0
1999	5640	129738	4.4
2000	5884	141978	4.1

2001	6537	139585	4.7
2002	6250	162540	3.8

= Data for Bhutan up to 2001 not available
= Source: IMF, Direction of Trade Statistics, various issues.